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C O N F I D E N T I A L SECTION 01 OF 02 DUBLIN 001493

SIPDIS

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TAGS: PREL ECON ETRD EIND EINV ENRG ETTC MASS PARM PHUM SENV SUBJECT: EU/IRELAND: AMBASSADOR-DESIGNATE BRUTON DISCUSSES GOALS

REF: DUBLIN 1331

Classified By: Ambassador James C. Kenny, Reasons 1.4 (b) and (d).

- 11. (C) Summary: In an October 4 meeting with Ambassador Kenny, EU Ambassador-designate to the United States John Bruton noted his plans to work with Congress and through public diplomacy to strengthen U.S.-EU relations. Bruton said he would aim to underscore the policy objectives that both sides shared and to reduce the focus on trans-Atlantic differences. Ambassador Kenny encouraged this approach and urged him to reach out to the U.S. business community and USG agencies. Regarding key U.S.-EU issues, Bruton:
- -- avoided predictions on the decision that the EU would take on the China arms embargo;
- -- related that Brussels was "desperately worried" about a possible trade war over subsidies to aircraft manufacturers;
- -- said that the EU had instructed him to make the resolution of the FSC issue a priority in his dealings with Congress;
- -- expressed concern that DHS would not be ready by next autumn to implement biometric passport requirements; and
- -- expressed EU hopes to engage the USG on efforts to curtail international trade in small arms. End summary.

Bruton's Planned Approach to His Office

- 12. (C) In an October 4 meeting with the Ambassador, EU Ambassador-designate to the United States John Bruton (bio reftel) said that he would focus on Congress in his efforts to strengthen U.S.-EU relations. He noted his intention to foster exchanges between Congress and the European Parliament, with a view to preempting controversies that might arise through unilateral legislative action by either side. Bruton mentioned that he was sensitive to the influence that interaction between Congress and the Administration had on the USG approach to Europe, having seen the occasionally contentious interplay among the European Commission, Council, and Parliament on U.S. policy. He anticipated that Irish ethnic U.S. Representatives and Senators would provide entre for his dealings with Congress. He expressed concern, however, about the degree to which partisanship would hamper such outreach, noting that the bipartisan spirit that he had seen during his visits to Washington in the early 1970s had disappeared.
- 13. (C) Bruton also planned substantial public diplomacy during his tenure. He envisioned speaking engagements to address possibilities for U.S.-EU cooperation on issues like democratization, which the European public had inaccurately associated with U.S. neo-conservatism. He would also try to give his listeners a better sense of the way that EU authorities interacted with the EU Member States -- a subject that even most Europeans did not understand, he observed. Quoting Freud, Bruton said that the overall goal of his efforts would be to redress "the narcissism of small differences" in U.S.-EU relations and to highlight the abundance of shared objectives.
- 14. (C) The Ambassador encouraged Bruton's outreach to Congress and urged him to work with the U.S. business community and with USG agencies, including the State Department. The Ambassador suggested, in particular, that Bruton meet with USTR Zoellick to review U.S.-EU trade issues, noting that trans-Atlantic trade relations were the foundation upon which cooperation in all other fields was built. The Ambassador observed that segments of Congress were unfamiliar with the European Union and that Bruton could play a valuable role in filling in those information gaps. He added that Bruton could play a similar role with U.S. business groups and industry associations, many of whom had substantial investments in Europe and were hungry for input on U.S.-EU economic issues. When Bruton asked what most annoyed Americans about the EU, the Ambassador cited the perception, fueled by the Microsoft case, that EU authorities hassled U.S. firms in Europe.

- $\P5$. (C) Bruton made the following points on key issues in U.S.-EU relations:
- 1A. China arms embargo. There would be no European arms exports to China even if the embargo were lifted, given the strictures of the Code of Conduct. The Code of Conduct would thus have the same effect as the embargo, while appearing less hostile to China. Bruton said he understood U.S. concerns, adding that he could not predict the final decision that the EU would take on the embargo.
- ¶B. Boeing-Airbus. Brussels is "desperately worried" about a possible trade war over subsidies to aircraft manufacturers Airbus and Boeing. A complicating factor is that some Member States, particularly France, have substantial interests at stake, while others have no interests at all.
 ¶C. FSC. The EU had instructed Bruton to make the resolution of the Foreign Sales Corporation (FSC) case (in which the WTO has authorized the EU to impose retaliatory fines for U.S. tax breaks to exporters) a priority in his dealings with Congress. Bruton hoped that the matter could be finalized in this session of Congress.
- **D. Homeland Security. The EU wants to be helpful on U.S. homeland security measures and has accepted the biometric passport requirements to be implemented in 2005. As EU Member States move to put the necessary passport technology in place, however, they have concerns that DHS may not be ready by next autumn to bring its own requirements into effect.
- 1E. The Middle East. The Commission has not been clear with Bruton as to the role he could play regarding efforts by the Quartet in the Middle East. He related the EU impression that Israeli Prime Minister Sharon wished to keep the U.S. from establishing a negotiating partner among the Palestinians.
- 1F. Kyoto Protocol. The EU is unsure whether the Bush Administration has remained outside the Kyoto Protocol because of the economic impact that adherence would have on U.S. industry, or because the Administration is simply not convinced of the science of climate change. The EU believes that the Administration has overemphasized the potential of technology in reducing greenhouse gas emissions.
- <u>1</u>G. Small arms trade. The Commission hopes to engage the USG on efforts to curtail international trade in small arms and light weapons, notwithstanding opposition to gun control in the United States. In the EU view, easy access to small arms is a principal reason for the failure of poor states.
- ¶H. Africa. Bruton agreed with the Ambassador that U.S.-EU cooperation on African issues, particularly the fight against HIV/AIDS, could be a positive experience upon which to build in mounting joint efforts on other difficult issues, like the Middle East.

 KENNY